

REDACTED – FOR PUBLIC INSPECTION

June 26, 2014

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Received & Inspected
JUN 30 2014
FCC Mail Room

Re: *In the Matter of ETC Annual Reports and Certifications, Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WC Docket Nos. 14-58, 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208*

Dear Ms. Dortch:

On behalf of Stanton Telecom, Inc. ("Stanton"), please find enclosed two copies of Stanton's FCC Form 481, along with the redacted versions of the Confidential Financial Information.

Also enclosed are copies of Stanton's redacted five-year service quality improvement plan.

One copy of the FCC Form 481, containing Confidential Financial Information, is being filed under separate cover.

Please do not hesitate to contact me at (402) 441-4315 if you have any questions regarding this submission.

Respectfully submitted,


Jessica Meyer
Consultant
Consortia Consulting, Inc.

No. of Copies rec'd 0+1
List ABCDE



FCC Form 481 – Carrier Annual Reporting
Data Collection Form

 FCC Form 481
 OMB Control No. 3060-0966/OMB Control No. 3060-0412
 July 2013

| | |
|------------------------------------------------------------------------------------|---------------------------------------|
| <010> Study Area Code | 371592 |
| <015> Study Area Name | STANTON TELECOM INC. |
| <020> Program Year | 2015 |
| <030> Contact Name: Person USAC should contact with questions about this data | Judy Christiansen |
| <035> Contact Telephone Number: Number of the person identified in data line <030> | 4028181322 ext. |
| <039> Contact Email Address: Email of the person identified in data line <030> | jchristiansen@consortiaconsulting.com |

 Received & Inspected
 JUN 30 2014
 FCC Mail Room

| | | |
|------------------------------------------|----------------------------------|----------------------------------|
| ANNUAL REPORTING FOR ALL CARRIERS | 54.313 Completion Required | 54.422 Completion Required |
|------------------------------------------|----------------------------------|----------------------------------|

| | | | |
|--------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------|
| <100> Service Quality Improvement Reporting | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <200> Outage Reporting (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <210> <input checked="" type="checkbox"/> -- check box if no outages to report | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <300> Unfulfilled Service Requests (voice) | 0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <310> Detail on Attempts (voice) | (attach descriptive document) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <320> Unfulfilled Service Requests (broadband) | 0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <330> Detail on Attempts (broadband) | (attach descriptive document) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <400> Number of Complaints per 1,000 customers (voice) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <410> Fixed | 0.0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <420> Mobile | 0.0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <430> Number of Complaints per 1,000 customers (broadband) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <440> Fixed | 0.0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <450> Mobile | 0.0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <500> Service Quality Standards & Consumer Protection Rules Compliance | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <510> 371592ne510.pdf | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <600> Functionality in Emergency Situations | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <610> 371592ne610.pdf | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <700> Company Price Offerings (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <710> Company Price Offerings (broadband) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <800> Operating Companies and Affiliates | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <900> Tribal Land Offerings (Y/N)? | (if yes, complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1000> Voice Services Rate Comparability | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1010> | (attach descriptive document) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1100> Terrestrial Backhaul (Y/N)? | (if not, check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1110> | (complete attached worksheet) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1200> Terms and Condition for Lifeline Customers | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

| | | | |
|--------|-----------------------------------|--------------------------|-------------------------------------|
| <2000> | (check to indicate certification) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <2005> | (complete attached worksheet) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

| | | | |
|--------|-----------------------------------|-------------------------------------|-------------------------------------|
| <3000> | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <3005> | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

| | | |
|-------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |
| <110> | Has your company received its ETC certification from the FCC? | (yes / no) <input type="radio"/> <input checked="" type="radio"/> |
| <111> | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? | (yes / no) <input type="radio"/> <input type="radio"/> |

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

371592ne112.pdf

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How (USF) was used to improve service quality
 <116> How (USF) was used to improve service coverage
 <117> How (USF) was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

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| |

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

(700) Price Offerings including Voice Rate Data
Data Collection Form

ECG Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

| | | |
|-------|-------------------------------------------------------------------------------|---------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2014

17.5

<703>

<31>

4327

<83>

(b1)

<b2>

1998

(b)(4)

2. 4. 2002

50

State

Exchange (ILEC)

SAC (CETC)

Rate Type

| | |
|-----------------------------------|--|
| Residential Local Service Rate | |
|-----------------------------------|--|

State Subscriber Line Charge

State Universal Service Fee

**Mandatory Extended Area
Service Charge**

| | |
|-------------------------------|--|
| Total per line Rates and Fees | |
|-------------------------------|--|

See attached worksheet

(800) Operating Companies Data Collection Form FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

| | | |
|-------|-------------------------------------------------------------------------------|---------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

| | | |
|-------|-------------------|-----------------------|
| <810> | Reporting Carrier | Stanton Telecom, Inc. |
| <811> | Holding Company | NA |
| <812> | Operating Company | NA |

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|-------------------------------------------------------------------------------|---------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

<910> Tribal Land(s) on which ETC Serves

| |
|--|
| |
|--|

<920> Tribal Government Engagement Obligation

| |
|--|
| |
|--|

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- | | | |
|-------|------------------------------------------------------------------------------------------------|--|
| <921> | Needs assessment and deployment planning with a focus on Tribal community anchor institutions. | |
| <922> | Feasibility and sustainability planning; | |
| <923> | Marketing services in a culturally sensitive manner; | |
| <924> | Compliance with Rights of way processes | |
| <925> | Compliance with Land Use permitting requirements | |
| <926> | Compliance with Facilities Siting rules | |
| <927> | Compliance with Environmental Review processes | |
| <928> | Compliance with Cultural Preservation review processes | |
| <929> | Compliance with Tribal Business and Licensing requirements. | |

| |
|----------------------------|
| Select (Yes, No, NA) |
| |
| |
| |
| |
| |
| |
| |
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| |

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|-------------------------------------------------------------------------------|---------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

<1120> Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers

Lifeline

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|-------------------------------------------------------------------------------|---------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

371592nel1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|-------------------------------------------------------------------------------|---------------------------------------|
| <010> | Study Area Code | 371592 |
| <015> | Study Area Name | STANTON TELECOM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification (47 CFR § 54.313(b)(1)) ☐

<2011> 3rd Year Certification (47 CFR § 54.313(b)(2)) ☐

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

<2012> 2013 Frozen Support Certification ☐

<2013> 2014 Frozen Support Certification ☐

<2014> 2015 Frozen Support Certification ☐

<2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

<2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting (47 CFR § 54.313(e))

<2017> 3rd year Broadband Service Certification ☐

<2018> 5th year Broadband Service Certification ☐

<2019> Interim Progress Certification ☐

<2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form

ICC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code 371592
<015> Study Area Name STANTON TELECOM INC.
<020> Program Year 2015
<030> Contact Name - Person USAC should contact regarding this data Judy Christiansen
<035> Contact Telephone Number - Number of person identified in data line <030> 4028181322 ext.
<039> Contact Email Address - Email Address of person identified in data line <030> jchristiansen@consortiaconsulting.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☒

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒

371592ne3017.pdf, 371592ne3017.xlsx

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐

(3023) Underlying information subjected to a review by an independent certified public accountant ☐

(3024) Underlying information subjected to an officer certification. ☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

| | |
|-----------------------------------------------------------|----------------------------------------------------------------------------------|
| Certification - Reporting Carrier Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|-----------------------------------------------------------|----------------------------------------------------------------------------------|

| | |
|-------------------------------------------------------------------------------------|---------------------------------------|
| <010> Study Area Code | 371592 |
| <015> Study Area Name | STANTON TELECOM INC. |
| <020> Program Year | 2015 |
| <030> Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients | |
| I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. | |
| Name of Reporting Carrier: | |
| Signature of Authorized Officer: | Date |
| Printed name of Authorized Officer: | |
| Title or position of Authorized Officer: | |
| Telephone number of Authorized Officer: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

| | |
|---------------------------------------------------------|----------------------------------------------------------------------------------|
| Certification - Agent / Carrier Data Collection Form | PLC Form 481 OMB Control No. 3061-0085/OMB Control No. 3060-0519 July 2013 |
|---------------------------------------------------------|----------------------------------------------------------------------------------|

| | |
|-------------------------------------------------------------------------------------|---------------------------------------|
| <010> Study Area Code | 371592 |
| <015> Study Area Name | STANTON TELECOM INC. |
| <020> Program Year | 2015 |
| <030> Contact Name - Person USAC should contact regarding this data | Judy Christiansen |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4028181322 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jchristiansen@consortiaconsulting.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| I certify that (Name of Agent) <u>Judy Christiansen</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate. | |
| Name of Authorized Agent: | Judy Christiansen |
| Name of Reporting Carrier: | STANTON TELECOM INC. |
| Signature of Authorized Officer: | CERTIFIED ONLINE |
| Printed name of Authorized Officer: | Robert Paden |
| Title or position of Authorized Officer: | VP/QM |
| Telephone number of Authorized Officer: | 4024392264 ext. |
| Study Area Code of Reporting Carrier: | 371592 |
| Filing Due Date for this form: | 06/30/2014 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate. | |
| Name of Reporting Carrier: | STANTON TELECOM INC. |
| Name of Authorized Agent or Employee of Agent: | Judy Christiansen |
| Signature of Authorized Agent or Employee of Agent: | CERTIFIED ONLINE |
| Printed name of Authorized Agent or Employee of Agent: | Judy Christiansen |
| Title or position of Authorized Agent or Employee of Agent: | Consultant |
| Telephone number of Authorized Agent or Employee of Agent: | 4028181322 ext. |
| Study Area Code of Reporting Carrier: | 371592 |
| Filing Due Date for this form: | 06/30/2014 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

Attachments

| | | |
|-------|----------------------------------------------------|----------|
| <701> | Residential Local Service Charge Effective Date | 1/1/2014 |
| <702> | Single State-wide Residential Local Service Charge | 17.5 |

[illegible]

[illegible]

Applies to both Voice and Broadband Services

Stanton Telecom, Inc.

Ability to Remain Functional in Emergency Situations

1. Stanton Telecom, Inc. (STI) has been providing high quality service in Nebraska since 1909. This includes operating in adverse conditions including blizzards, ice storms, thunderstorms, tornadoes and during prolonged power outages. STI's management team, plant supervisors, plant technicians and customer service representatives have the training, experience and equipment necessary to respond to, manage and operate in emergency situations.
2. Stanton Telecom, Inc. follows applicable Rural Utilities Service (RUS) Telecommunications program practices and guidelines including the Telecommunications Engineering and Construction Manual (TE&CM) and other industry standards available to small telecommunications carriers. Stanton Telecom, Inc. also meets the requirements of the Nebraska Public Service Commission (NPSC) as applied to local exchange service.
3. Back-Up Power

3.1. Central Office

- 3.1.1. Stanton Telecom, Inc. maintains storage batteries designed to provide a minimum reserve capacity consistent with RUS TE&CM 1751E-302, Power Requirements for Digital Central Office Equipment. 1751E-302 paragraph 2.3.4 recommends a minimum reserve capacity of 8 hours, or 3 hours if the central office is equipped with an emergency standby generator. This is consistent with Title 291, NPSC Telecommunications Rules and Regulations, Chapter 5, paragraph 002.05 Emergency Operations and Power.
- 3.1.2. Stanton Telecom, Inc. maintains a dedicated standby generator fueled with natural gas. The standby unit is equipped with an automatic transfer switch so that in the event of an interruption of the commercial electric power lasting more than a few minutes, the standby generator starts automatically and provides electrical power to the central office equipment, air conditioning and building lighting. The automatic transfer switch also exercises the standby unit periodically and an alarm indication is sent if the standby generator does not start so that telecommunications personnel can perform proactive maintenance.

Stanton Telecom, Inc.
Ability to Remain Functional in Emergency Situations

3.2. Optical Network Terminations (ONT's)

3.2.1. Fiber-to-the-Premises (FTTP) technology has been deployed and the ONT's are powered by micro-uninterruptable power supplies (UPS) located on the customer premises and powered from the customer's commercial electrical power. The UPS batteries are specified for a minimum of eight hours of reserve capacity. The FTTP electronics system monitors the ONT's and notifies STI's maintenance personnel when any ONT's batteries are no longer capable of holding the charge required for the designed battery reserve capacity so that STI can work with the customer to replace the UPS batteries. STI also maintains a cache of UPS's for routine and emergency replacement.

4. Rerouting Traffic around Damaged Facilities

4.1. In the event of damage to cable facilities owned by Stanton Telecom, Inc., our maintenance personnel would restore service using emergency splice kits kept on hand for these types of service disruptions. If the damaged facilities are not owned by Stanton Telecom, Inc. we would work with the carrier directly affected to identify the source of disruption and the estimated amount of time before service is restored.

4.2. Stanton Telecom, Inc. currently has diverse fiber routes. One route supports toll calling and the other route supports Internet service. In the event of an extended outage, contact would be made with the other service provider to provision temporary alternate routes supporting originating and terminating toll calls. Emphasis would first be placed on establishing connections to nearby PSAP, law-enforcement and emergency services.

Stanton Telecom, Inc.
Ability to Remain Functional in Emergency Situations

5. Managing Traffic Spikes

- 5.1. Stanton Telecom, Inc. meets Title 291, NPSC Telecommunications Rules and Regulations, Chapter 5, paragraph 002.12 Dial Service Objectives for sufficient central office capacity and equipment during the "...average busy hour-busy season..."
- 5.2. Stanton Telecom, Inc. follows applicable RUS practices 522 and 322 when specifying, administrating, and assigning facilities within its control (as opposed to facilities ordered by connecting interexchange carriers).
- 5.3. The Stanton central office switch is a Genband DMS-10 operating at the 602.20 software release. The Stanton DMS-10 is equipped with 1100 access lines. The DMS-10 is designed to support up to 12,000 access lines by adding line and trunk interface equipment and network equipment only. In its current configuration the Stanton DMS-10 has additional capacity over and above the minimums specified to meet NPSC and RUS guidelines.
- 5.4. When traffic volumes greatly exceed specified criteria and additional capacity of the switch or connecting facilities, the DMS-10 continues to process calls but with potentially longer waiting times for dial tone, higher post-dialing delays and a higher probability of callers receiving all trunks busy indications (fast busy) and having to redial calls. Depending on the magnitude and duration of extreme peak demand, STI would examine alternatives such as provisioning additional facilities and work with connecting carriers to expedite additional capacity.

Stanton Telecom, Inc.

Nebraska Telephone Assistance Program Terms and Conditions

Nebraska Telephone Assistance Program

The Nebraska Telephone Assistance Program (NTAP) is available for qualifying customers of Stanton Telecom, Inc. (the "Company"). NTAP assistance reduces the cost of basic, monthly local telephone service. Eligible consumers can receive up to \$12.75 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in NTAP. Toll Blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

NTAP is administered by the Nebraska Public Service Commission.

NTAP Eligibility Information

Program Based Eligibility

To qualify for NTAP, subscribers must either have an income that is at or below 135% of the Federal Poverty Guidelines, or the subscriber, one or more of the subscriber's dependents, or the subscriber's household must receive benefits from one of the following assistance programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Medicaid
- Children's Health Insurance Program/Kids Connection (SAM, MAC or EMAC)
- Supplemental Nutrition Assistance Program (SNAP); (formerly the Food Stamps Program)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program Free Lunch program
- State assistance programs (if applicable)

To receive an NTAP application, contact your local *Health and Human Services* agency caseworker or the *Nebraska Public Service Commission*, 1200 N Street, Suite 300, PO Box 94927, Lincoln, NE 68508-4927, Phone: 402-471-3101, Toll Free: 1-800-526-0017 or <https://ntap.gisworkshop.com/>

NTAP applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year's statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.

Income Based Eligibility

In addition, consumers are eligible for NTAP if their household income is at or below 135% of the federal poverty guidelines.

2014 Federal Poverty Guidelines – 135%

| Household Size | 48 Contiguous States and D.C. | Alaska | Hawaii |
|---------------------------------|--------------------------------------|---------------|---------------|
| 1 | \$15,755 | \$19,683 | \$18,117 |
| 2 | \$21,236 | \$26,541 | \$24,422 |
| 3 | \$26,717 | \$33,399 | \$30,726 |
| 4 | \$32,198 | \$40,257 | \$37,031 |
| 5 | \$37,679 | \$47,115 | \$43,335 |
| 6 | \$43,160 | \$53,973 | \$49,640 |
| 7 | \$48,641 | \$60,831 | \$55,944 |
| 8 | \$54,122 | \$67,689 | \$62,249 |
| For each additional person, add | \$5,481 | \$6,858 | \$6,305 |

Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

Numbers of Minutes-of-Use Provided as Part of NTAP Program Service

The Company's Voice NTAP service includes unlimited local minutes-of-use within the toll-free calling area. The Company's Voice NTAP Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the NTAP service, Toll blocking is available to eligible consumers at no cost.

Rates

Subscribers may receive the NTAP credit on any type or grade of local service, including bundled services that are normally offered by the Company. Advertised rates do not include any applicable taxes or surcharges.

Recertification of NTAP Eligibility

NTAP recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for NTAP will result in termination of the NTAP recipient's monthly NTAP discount and de-enrollment from NTAP.

Additional NTAP Program Information

NTAP is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined as an individual or group of individuals who live together at the same address and share income and expenses. NTAP is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

Stanton Telecom, Inc.

Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules for Voice and Broadband Services

Service quality standards and consumer protection rules for broadband are not as defined as the rules for voice services. The Company complies with any service quality standards and consumer protection rules for broadband that are out there now and any that will be defined in the future.

Service Quality Standards

For voice services, the Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.

For voice and broadband services, the Company:

- Advertises the availability of its services and the charges using media of general distribution and/or on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.
- Meets or exceeds the standards established by the state commission and provides any reports required in accordance with the state commission's rules.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information.

If complaints are filed with the Company regarding consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made.

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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | <i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Stanton Telecom, Inc. | |
| INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. <i>For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i> | | PERIOD ENDING December, 2013 | BORROWER DESIGNATION [REDACTED] |

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

- ☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.
- ☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Robert Paden

3/19/2014

DATE

PART A. BALANCE SHEET

| ASSETS | BALANCE PRIOR YEAR | BALANCE END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | BALANCE PRIOR YEAR | BALANCE END OF PERIOD |
|------------------------------------------|-----------------------|--------------------------|---------------------------------------------------------------|-----------------------|--------------------------|
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| 1. Cash and Equivalents | | | 25. Accounts Payable | | |
| 2. Cash-RUS Construction Fund | | | 26. Notes Payable | | |
| 3. Affiliates: | | | 27. Advance Billings and Payments | | |
| a. Telecom, Accounts Receivable | | | 28. Customer Deposits | | |
| b. Other Accounts Receivable | | | 29. Current Mat. L/T Debt | | |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | | |
| 4. Non-Affiliates: | | | 31. Current Mat.-Capital Leases | | |
| a. Telecom, Accounts Receivable | | | 32. Income Taxes Accrued | | |
| b. Other Accounts Receivable | | | 33. Other Taxes Accrued | | |
| c. Notes Receivable | | | 34. Other Current Liabilities | | |
| 5. Interest and Dividends Receivable | | | 35. Total Current Liabilities (25 thru 34) | | |
| 6. Material-Regulated | | | LONG-TERM DEBT | | |
| 7. Material-Nonregulated | | | 36. Funded Debt-RUS Notes | | |
| 8. Prepayments | | | 37. Funded Debt-RTB Notes | | |
| 9. Other Current Assets | | | 38. Funded Debt-FFB Notes | | |
| 10. Total Current Assets (1 thru 9) | | | 39. Funded Debt-Other | | |
| NONCURRENT ASSETS | | | 40. Funded Debt-Rural Develop. Loan | | |
| 11. Investment in Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | | |
| a. Rural Development | | | 42. Recquired Debt | | |
| b. Nonrural Development | | | 43. Obligations Under Capital Lease | | |
| 12. Other Investments | | | 44. Adv. From Affiliated Companies | | |
| a. Rural Development | | | 45. Other Long-Term Debt | | |
| b. Nonrural Development | | | 46. Total Long-Term Debt (36 thru 45) | | |
| 13. Nonregulated Investments | | | OTHER LIAB. & DEF. CREDITS | | |
| 14. Other Noncurrent Assets | | | 47. Other Long-Term Liabilities | | |
| 15. Deferred Charges | | | 48. Other Deferred Credits | | |
| 16. Jurisdictional Differences | | | 49. Other Jurisdictional Differences | | |
| 17. Total Noncurrent Assets (11 thru 16) | | | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | | |
| PLANT, PROPERTY, AND EQUIPMENT | | | EQUITY | | |
| 18. Telecom, Plant-in-Service | | | 51. Cap. Stock Outstand. & Subscribed | | |
| 19. Property Held for Future Use | | | 52. Additional Paid-in-Capital | | |
| 20. Plant Under Construction | | | 53. Treasury Stock | | |
| 21. Plant Adj., Nonop. Plant & Goodwill | | | 54. Membership and Cap. Certificates | | |
| 22. Less Accumulated Depreciation | | | 55. Other Capital | | |
| 23. Net Plant (18 thru 21 less 22) | | | 56. Patronage Capital Credits | | |
| 24. TOTAL ASSETS (10+17+23) | | | 57. Retained Earnings or Margins | | |
| | | | 58. Total Equity (51 thru 57) | | |
| | | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | | |

Total Equity = [REDACTED] % of Total Assets

| | | | |
|---------------------------------------------------------------------------------|------------|------------------------------------|--|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | BORROWER DESIGNATION [REDACTED] | |
| INSTRUCTIONS- See RUS Bulletin 1744-2 | | PERIOD ENDING December, 2013 | |
| PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS | | | |
| ITEM | PRIOR YEAR | THIS YEAR | |
| 1. Local Network Services Revenues | [REDACTED] | [REDACTED] | |
| 2. Network Access Services Revenues | [REDACTED] | [REDACTED] | |
| 3. Long Distance Network Services Revenues | [REDACTED] | [REDACTED] | |
| 4. Carrier Billing and Collection Revenues | [REDACTED] | [REDACTED] | |
| 5. Miscellaneous Revenues | [REDACTED] | [REDACTED] | |
| 6. Uncollectible Revenues | [REDACTED] | [REDACTED] | |
| 7. Net Operating Revenues (1 thru 5 less 6) | [REDACTED] | [REDACTED] | |
| 8. Plant Specific Operations Expense | [REDACTED] | [REDACTED] | |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | [REDACTED] | [REDACTED] | |
| 10. Depreciation Expense | [REDACTED] | [REDACTED] | |
| 11. Amortization Expense | [REDACTED] | [REDACTED] | |
| 12. Customer Operations Expense | [REDACTED] | [REDACTED] | |
| 13. Corporate Operations Expense | [REDACTED] | [REDACTED] | |
| 14. Total Operating Expenses (8 thru 13) | [REDACTED] | [REDACTED] | |
| 15. Operating Income or Margins (7 less 14) | [REDACTED] | [REDACTED] | |
| 16. Other Operating Income and Expenses | [REDACTED] | [REDACTED] | |
| 17. State and Local Taxes | [REDACTED] | [REDACTED] | |
| 18. Federal Income Taxes | [REDACTED] | [REDACTED] | |
| 19. Other Taxes | [REDACTED] | [REDACTED] | |
| 20. Total Operating Taxes (17+18+19) | [REDACTED] | [REDACTED] | |
| 21. Net Operating Income or Margins (15+16-20) | [REDACTED] | [REDACTED] | |
| 22. Interest on Funded Debt | [REDACTED] | [REDACTED] | |
| 23. Interest Expense - Capital Leases | [REDACTED] | [REDACTED] | |
| 24. Other Interest Expense | [REDACTED] | [REDACTED] | |
| 25. Allowance for Funds Used During Construction | [REDACTED] | [REDACTED] | |
| 26. Total Fixed Charges (22+23+24-25) | [REDACTED] | [REDACTED] | |
| 27. Nonoperating Net Income | [REDACTED] | [REDACTED] | |
| 28. Extraordinary Items | [REDACTED] | [REDACTED] | |
| 29. Jurisdictional Differences | [REDACTED] | [REDACTED] | |
| 30. Nonregulated Net Income | [REDACTED] | [REDACTED] | |
| 31. Total Net Income or Margins (21+27+28+29+30-26) | [REDACTED] | [REDACTED] | |
| 32. Total Taxes Based on Income | [REDACTED] | [REDACTED] | |
| 33. Retained Earnings or Margins Beginning-of-Year | [REDACTED] | [REDACTED] | |
| 34. Miscellaneous Credits Year-to-Date | [REDACTED] | [REDACTED] | |
| 35. Dividends Declared (Common) | [REDACTED] | [REDACTED] | |
| 36. Dividends Declared (Preferred) | [REDACTED] | [REDACTED] | |
| 37. Other Debits Year-to-Date | [REDACTED] | [REDACTED] | |
| 38. Transfers to Patronage Capital | [REDACTED] | [REDACTED] | |
| 39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] | [REDACTED] | [REDACTED] | |
| 40. Patronage Capital Beginning-of-Year | [REDACTED] | [REDACTED] | |
| 41. Transfers to Patronage Capital | [REDACTED] | [REDACTED] | |
| 42. Patronage Capital Credits Retired | [REDACTED] | [REDACTED] | |
| 43. Patronage Capital End-of-Year (40+41-42) | [REDACTED] | [REDACTED] | |
| 44. Annual Debt Service Payments | [REDACTED] | [REDACTED] | |
| 45. Cash Ratio [(14+20-10-11) / 7] | [REDACTED] | [REDACTED] | |
| 46. Operating Accrual Ratio [(14+20+26) / 7] | [REDACTED] | [REDACTED] | |
| 47. TIER [(31+26) / 26] | [REDACTED] | [REDACTED] | |
| 48. DSCR [(31+26+10+11) / 44] | [REDACTED] | [REDACTED] | |

REDACTED - FOR PUBLIC INSPECTION

| | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------|----------|-----|-------------------------------|-------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2 | | | | | | BORROWER DESIGNATION <div style="background-color: black; width: 50px; height: 15px; margin: 5px 0;"></div> PERIOD ENDED December, 2013 | |
| Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION | | | | | | | |
| | 1. RATES | | 2. SUBSCRIBERS (ACCESS LINES) | | | 3. ROUTE MILES | |
| EXCHANGE | B-1 | R-1 | BUSINESS | RESIDENTIAL | TOTAL | TOTAL (including fiber) | FIBER |
| | (a) | (b) | (a) | (b) | (c) | (a) | (b) |
| Stanton | █ | █ | █ | █ | █ | █ | █ |
| MobileWireless | 0 | | | | | | |
| Route Mileage Outside Exchange Area | | | | | | 0.00 | 0.00 |
| Total | | | █ | █ | █ | █ | █ |
| No. Exchanges | █ | | | | | | |

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USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

Borrower Designation

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

[illegible]

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| | |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER DESIGNATION <div style="background-color: black; width: 50px; height: 15px; margin: 2px;"></div> PERIOD ENDING December, 2013 |
| INSTRUCTIONS- See RUS Bulletin 1744-2 | |

| PART D. SYSTEM DATA | | | | |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1. No. Plant Employees | 2. No. Other Employees | 3. Square Miles Served | 4. Access Lines per Square Mile | 5. Subscribers per Route Mile |
| <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> |

| PART E. TOLL DATA | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Study Area ID Code(s) <div style="display: flex;"> <div style="width: 20px;">a.</div> <div style="background-color: black; width: 100px; height: 15px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">b.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">c.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">d.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">e.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">f.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">g.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">h.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">i.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex;"> <div style="width: 20px;">j.</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> | 2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input type="checkbox"/> Average Schedule Intrastate: <input type="checkbox"/> Average Schedule </div> <div> <input checked="" type="checkbox"/> Cost Basis <input checked="" type="checkbox"/> Cost Basis </div> </div> |

| PART F. FUNDS INVESTED IN PLANT DURING YEAR | |
|-------------------------------------------------|-------------------------------------------------------------------------|
| 1. RUS, RTB, & FFB Loan Funds Expended | |
| 2. Other Long-Term Loan Funds Expended | |
| 3. Funds Expended Under RUS Interim Approval | |
| 4. Other Short-Term Loan Funds Expended | |
| 5. General Funds Expended (Other than Interim) | <div style="background-color: black; width: 100%; height: 15px;"></div> |
| 6. Salvaged Materials | |
| 7. Contribution in Aid to Construction | |
| 8. Gross Additions to Telecom. Plant (1 thru 7) | <div style="background-color: black; width: 100%; height: 15px;"></div> |

| PART G. INVESTMENTS IN AFFILIATED COMPANIES | | | | | |
|--------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| INVESTMENTS (a) | CURRENT YEAR DATA | | CUMULATIVE DATA | | |
| | Investment This Year (b) | Income/Loss This Year (c) | Cumulative Investment To Date (d) | Cumulative Income/Loss To Date (e) | Current Balance (f) |
| | | | | | |
| 1. Investment in Affiliated Companies - Rural Development | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> | <div style="background-color: black; width: 100%; height: 15px;"></div> |
| 2. Investment in Affiliated Companies - Nonrural Development | | | | | |

| | |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER DESIGNATION <div style="background-color: black; width: 100px; height: 15px;"></div> |
| | PERIOD ENDING |
| | December, 2013 |

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒ YES ☐ NO

| EQUIPMENT CATEGORY | DEPRECIATION RATE |
|-------------------------------------------------------------------------------|-------------------|
| 1. Land and support assets - Motor Vehicles | |
| 2. Land and support assets - Aircraft | |
| 3. Land and support assets - Special purpose vehicles | |
| 4. Land and support assets - Garage and other work equipment | |
| 5. Land and support assets - Buildings | |
| 6. Land and support assets - Furniture and Office equipment | |
| 7. Land and support assets - General purpose computers | |
| 8. Central Office Switching - Digital | |
| 9. Central Office Switching - Analog & Electro-mechanical | |
| 10. Central Office Switching - Operator Systems | |
| 11. Central Office Transmission - Radio Systems | |
| 12. Central Office Transmission - Circuit equipment | |
| 13. Information origination/termination - Station apparatus | |
| 14. Information origination/termination - Customer premises wiring | |
| 15. Information origination/termination - Large private branch exchanges | |
| 16. Information origination/termination - Public telephone terminal equipment | |
| 17. Information origination/termination - Other terminal equipment | |
| 18. Cable and wire facilities - Poles | |
| 19. Cable and wire facilities - Aerial cable - Metal | |
| 20. Cable and wire facilities - Aerial cable - Fiber | |
| 21. Cable and wire facilities - Underground cable - Metal | |
| 22. Cable and wire facilities - Underground cable - Fiber | |
| 23. Cable and wire facilities - Buried cable - Metal | |
| 24. Cable and wire facilities - Buried cable - Fiber | |
| 25. Cable and wire facilities - Conduit systems | |
| 26. Cable and wire facilities - Other | |

REDACTED - FOR PUBLIC INSPECTION

| | | |
|----------------------------------------------------------------------------------------------------------------|--|----------------------|
| USDA-RUS | | BORROWER DESIGNATION |
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | PERIOD ENDED |
| INSTRUCTIONS – See help in the online application. | | |
| PART I – STATEMENT OF CASH FLOWS | | |
| 1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 2. Net Income | | |
| <i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i> | | |
| 3. Add: Depreciation | | |
| 4. Add: Amortization | | |
| 5. Other (Explain) | | |
| <i>Changes in Operating Assets and Liabilities</i> | | |
| 6. Decrease/(Increase) in Accounts Receivable | | |
| 7. Decrease/(Increase) in Materials and Inventory | | |
| 8. Decrease/(Increase) in Prepayments and Deferred Charges | | |
| 9. Decrease/(Increase) in Other Current Assets | | |
| 10. Increase/(Decrease) in Accounts Payable | | |
| 11. Increase/(Decrease) in Advance Billings & Payments | | |
| 12. Increase/(Decrease) in Other Current Liabilities | | |
| 13. Net Cash Provided/(Used) by Operations | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 14. Decrease/(Increase) in Notes Receivable | | |
| 15. Increase/(Decrease) in Notes Payable | | |
| 16. Increase/(Decrease) in Customer Deposits | | |
| 17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | | |
| 18. Increase/(Decrease) in Other Liabilities & Deferred Credits | | |
| 19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital | | |
| 20. Less: Payment of Dividends | | |
| 21. Less: Patronage Capital Credits Retired | | |
| 22. Other (Explain) | | |
| 23. Net Cash Provided/(Used) by Financing Activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| 24. Net Capital Expenditures (Property, Plant & Equipment) | | |
| 25. Other Long-Term Investments | | |
| 26. Other Noncurrent Assets & Jurisdictional Differences | | |
| 27. Other (Explain) | | |
| 28. Net Cash Provided/(Used) by Investing Activities | | |
| 29. Net Increase/(Decrease) in Cash | | |
| 30. Ending Cash | | |

Revision Date 2010

REDACTED - FOR PUBLIC INSPECTION

| | |
|----------------------------------------------------------------------|----------------------------------------|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER DESIGNATION [REDACTED] |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2013 |
| NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | |
| | |

REDACTED - FOR PUBLIC INSPECTION

| | |
|-------------------------------------------------------------------------------------------|----------------------------------------|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER DESIGNATION [REDACTED] |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2013 |
| CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | |
| | |

REDACTED - FOR PUBLIC INSPECTION

Five-Year Plan Language Stanton Telecom, Inc.

Pursuant to 47 C.F.R. 54.202(a)(1)(ii), Stanton Telecom ("Stanton") submits a five-year plan that describes with specificity proposed improvements or upgrades to its network throughout its proposed service area. Stanton also provides estimates regarding the area and population that will be served as a result of the improvements. This plan is based on Stanton's current business and financial conditions and is subject to change as a result of changes in those conditions.

Pursuant to 47 C.F.R. 54.313, in each subsequent year, Stanton will file a progress report on its five-year service quality improvement plan pursuant to 54.202(a), including maps detailing its progress towards meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve service quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled in the prior calendar year.

As of January 1, 2014, [REDACTED] of the subscribers in the Stanton wire center have access to broadband Internet service through Stanton's fiber optic facilities. Subscribers served by these facilities have access that meets or exceeds the 4/1 Mbps standard. No capital improvements are required for those subscribers meeting the 4/1 Mbps standard other than maintenance of facilities and as such, no capital investment to these subscribers is outlined in this plan.

Although no capital improvements are required in the Stanton wire center to bring subscribers to the 4/1 Mbps standard, Stanton incurred approximately [REDACTED] in depreciation expense and [REDACTED] in on-going maintenance and operating expenses in calendar year 2013. It is reasonable to expect depreciation, maintenance, and operating expenses for the 2015 through 2019 calendar years.

REDACTED - FOR PUBLIC INSPECTION

Five - Year Plan Template
Stanton Telecom
Stanton Wire Center

| Year # | | Planned Dollar Amount Capital Improvement (CAPx) | Estimated # of Square Miles Served by Capital Improvement | Estimated Population Served By Capital Improvement | Depreciation Expense Associated with Network Improvements Years 1 through 5 (Note 1) | Depreciation Expense Associated with Network Improvements for Years Prior to Year 1 | On-going Maintenance/ Operating Expense |
|--------|---------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------|
| | Existing Expense- Total Company | x | x | x | x | \$ | \$ |
| 1 | 01/01/2015 to 12/31/2015 | \$ - | | | NA | x | x |
| 2 | 01/01/2016 to 12/31/2016 | \$ - | | | NA | x | x |
| 3 | 01/01/2017 to 12/31/2017 | \$ - | | | NA | x | x |
| 4 | 01/01/2018 to 12/31/2018 | \$ - | | | NA | x | x |
| 5 | 01/01/2019 to 12/31/2019 | \$ - | | | NA | x | x |

Since no incremental capital is forecasted through 2019 for broadband deployment, no Incremental depreciation expense is forecasted through 2019.

Depreciation expense for Stanton Telecom was approximately [REDACTED] in 2013.

On-going operating expenses excluding depreciation expense was approximately [REDACTED] for Stanton Telecom in 2013.